

Pennsylvania Remote Seller Nexus Investigation Success Stories

NESTOA 2015



“B”-A Northeast Corporation returned their BAQ indicating they had no nexus with PA. However further review showed the corporation had issued 1099’s and W-2’s to PA residents between 2006 & 2009. One resident noted in his Schedule C that compensation was for “office work”. “B” also advertised for a sales position in Philadelphia who “will serve as a personal shopper, assisting customers of “B” via phone and online chat.” “B” was registered for PA Sales Tax effective 7/1/2012



“D” - A Northwest Corporation, is a self-proclaimed partner with a national drug store chain. When “D” returned its Business Activities Questionnaire or BAQ, the corporation indicated they had no nexus with PA. However, a review of their web site indicated when customers could place orders on their web site and pick them up at the local drug stores. “D” was registered for PA Sales Tax effective 9/1/12.



“K”-A Northeast LLC is an online seller of clothing and accessories. “K” returned their BAQ indicating it had no nexus with PA. A review of its web site revealed an extensive affiliate program with PA representatives. In addition, a PA television station has a link for “K” on its website. “K” was registered for Sales Tax effective 2/1/13

“W” - A Northeast LLC is an online retailer of home goods. As well as having an affiliate program, “W” offers white glove delivery service in PA along with assembly service. In addition, “Y”, a PA based company, is a supplier who warrants products sold by “W”. In counsel’s opinion the warranty by itself did not create nexus by itself since the warranty is satisfied by another company. However, the white glove delivery service establishes nexus. “W” was registered for PA Sales Tax effective 7/1/12.



“N”-A Southwest Corporation is a large on-line retailer of a wide-ranging set of products emphasizing technology. “N” did not provide a BAQ. Internal research showed its metro area included NY, NJ and PA. It has an affiliate program that offers 2.5% commission. Its reps visit college campuses in PA to showcase the latest technology products and back to school essentials and in 2011, visits were made to numerous SE PA universities. “N” was registered for Sales Tax effective 7/1/12.

“T” –A Midwest LLC returned its BAQ on 6/13/2012 indicating that it conducted no business in PA. However, on 9/4/2012, they submitted a PA 100 (registration application) requesting a PA Sales Tax License. “T” was registered for Sales Tax effective 7/1/12.

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